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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

DDI-2346-75

National Intelligence Officers

9 September 1975

MEMORANDUM FOR: D/DCI/NIO

SUBJECT: Worthwhile NIEs on China

REFERENCE: Acting, D/DCI/NIO's Memorandum,
dated 5 September 1975, Subject:
The Predictive Record

Herewith are some suggestions regarding worthwhile NIEs on China in the past ten years. Most of the NIEs are a mixed bag with some realistic portions followed by some wrong speculative shots. What I've done is to select out certain comments which viewed in retrospect reflect the truth of the times. Also I've selected certain predictions which turned out to be pretty close to the mark.

1. A 1966 NIE stated China will take 30 to 50 years to become a truly strong power. The remark itself was attributed to CHEN Yi. In 1975 we have a pretty solid report in which CHOU En Lai said it will take 25 more years for China to reach this status. Hence, in the light of subsequent developments, the 1966 statement looks pretty good.

2. An NIE in 1966 estimates that the PRC will need fifty million tons of chemical fertilizer to regain per capita grain production of 1957. In 1974 the PRC reached the 1957 level with about 30 million tons of chemical fertilizer. The fact that a lot of chemical fertilizer was the key as stated in the 1966 NIE was basically correct. Its totals, however, were a bit off.

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3. A 1965 NIE states cadre financial corruption and cadres becoming scapegoats for the regime's mistakes were major phenomena of the time. "Down to the countryside" workers and disillusioned youth represented major areas of discontent. This remains true today.

4. In May 1967 an NIE said that joint action with the USSR was debated in the top leadership after U.S. escalation in Vietnam. There were high level critics of MAO's basic line which had resulted in the loss of Soviet military, technical and economic assistance. In 1974 and 1975 there have been numerous allegorical references to this phenomenon which may still be a contentious force in the Chinese leadership.

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James R. Lilley
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cc: DDI

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NIO/CH-JRLilley:fmt

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